

MAKING MIT AFFORDABLE 2007/2008

MIT'S COMMITMENT TO UNDERGRADUATE STUDENTS AND PARENTS

You're accepted!

CONGRATULATIONS! EVERYONE KNOWS GETTING into MIT isn't easy. You should be proud of your accomplishments. Now that the waiting is over, the decisions are in and you have several college acceptances, how do you decide?

Perhaps you've known forever that MIT is your ideal college. Maybe you just set your sights on us. Or possibly you're still deciding if we're the right match. Whatever your situation, we know that you have lots of great options to choose from and many factors to weigh – academic atmosphere, curriculum, research opportunities, reputation, social life, fellow students, etc. While you're trying to figure out what you want, your family may have some serious concerns about how much they can spend. You're wondering if your future is going to be decided on the basis of cost. We hope not.

Despite what you've heard about how expensive college is and how complicated applying for financial aid can be, we make it easy. Don't be discouraged by the "sticker price" and especially don't rule us out as being too expensive. We're committed to making MIT affordable for everyone through our financial aid programs and financing plans.

By being admitted, you've already proved that MIT is within your reach. Paying for MIT can be done, especially if you take it step by step. So relax – explore your options, but be sure to give yourself a chance to dream. The right college is waiting for you, and we think it's MIT. We're hoping you'll agree.

Best wishes,
Elizabeth M. Hicks
Executive Director, Student Financial Services

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GETTING STARTED



PARENT-STUDENT PARTNERSHIP

Whose job is this?

LEAVING HOME FOR COLLEGE IS A MAJOR MILESTONE – AN EXCITING AND somewhat intimidating first step into adult life. The best way to get started as an MIT undergraduate is by talking with your parents so there’s a general understanding of just what everyone’s role will be.

JUST FOR PARENTS

Don’t do it all. We know it’s hard to break the pattern of being your child’s caregiver, but an important part of a college education for students is learning to take responsibility in all areas of their lives. Of course, some parental involvement is necessary, especially in financial areas. Keeping aware of deadlines for paying bills and submitting financial aid applications is a great help to your son or daughter.

Share and communicate. While you need to maintain some distance, you also need to keep the lines of communication open. If you have serious concerns, especially about how much you can afford, have a realistic discussion with your son or daughter so you can make appropriate financial plans together.

Be prepared to contribute financially. If your family receives financial aid, we assess a realistic parental contribution. You will fill out renewal forms each year to maintain financial aid eligibility and you’ll be expected to continue contributing.

JUST FOR STUDENTS

You’re in charge. Because you’re now an adult and the person receiving the education, we work directly with you, whether it’s about an academic, financial or medical issue. That means that when it comes to paying MIT, we bill you.

We know you can’t do this alone. You need your parents. While we treat you as an adult, we know you are (and expect you to be) still dependent on your parents for financial assistance. If you apply for financial aid, your aid decision is based on your parents’ financial situation as well as any income or savings you may have.

Be prepared to contribute financially. Most MIT undergraduates do. If you receive financial aid, we expect you to work during the summer and to borrow and/or work during the school year. We expect you to work about 35 hours a week during summers, earning \$7 to \$10 an hour depending on your year in school, and saving about half of what you earn. We call this your “summer earnings expectation” and it makes up most of your “student contribution.” We also expect you to borrow and/or work during the school year for \$5,250 – we call this your “self-help expectation.” Any outside scholarships you receive will first reduce your self-help and then your summer earnings expectation so your efforts in applying for and receiving these sources of financial aid are rewarded.

Managing Money

BANK ACCOUNTS

You'll probably want to open a bank account if you don't already have one. If you plan on working at MIT, you'll need one because all employees are paid by direct deposit. One option is to open an account with your parents' bank so they can easily make deposits into your account. Another is to take advantage of one of the good deals for college students in the Boston/Cambridge area, including the MIT Federal Credit Union (<https://www.mitfcu.org/>).

CREDIT OR CHARGE CARDS

You've probably already received several credit card offers. Be careful before you sign on, as credit cards can quickly land you in debt if you don't keep up with the minimum monthly payments. Some cards even require you to pay off the full balance you charge each month. If you don't handle credit properly, it may damage your credit rating, which is what landlords and banks check when deciding whether to rent to you or lend you money. If you need to borrow money, check with us about student loans that typically offer the lowest interest rates.

DEBIT CARDS

Some bank cards that you use to get cash at ATMs also function as debit cards or electronic checks. This is great, because you don't have to carry around large amounts of cash, and when you want to purchase something, the money is deducted directly from your checking account. Just be sure to keep track of any transaction fees that may apply.

TECHCASH

This is a special MIT declining-balance spending plan that allows you to use your MIT ID card to make purchases at dining halls, book stores, laundry and vending machines and CopyTech centers. TechCASH is accepted at many locations on campus and off campus. Incoming students may activate a TechCASH account after August 1. Using the online management feature, you can deposit funds into the account with a debit or credit card or by charging your MIT student account. Additional funds can be added at any time. If you accept our admission offer, we'll send you more information about TechCASH, or you can visit <http://web.mit.edu/mitcard/>, telephone at (617) 253-0364 or via email at techcash@mit.edu.

LEARNING TO LIVE ON A BUDGET

Choices, choices, choices

MOST HIGH SCHOOL STUDENTS HAVE SOME experience managing money, but in college you need to be totally in charge of your budget. To start setting a budget, you need to figure out what your expenses and resources will be.

How can you estimate what your costs will be? Start by breaking expenses down into categories like tuition and fees, housing and meals. Don't forget necessities like books, supplies, money for travel home and discretionary items like entertainment, local transportation and personal items.

OUR 2007/2008 COST ESTIMATES	
Tuition	\$34,750
Fees	\$236
Housing	\$6,000
Meals	\$4,400
Books	\$1,114
Personal	\$1,700
TOTAL	\$48,200

Next, determine your resources. Are you receiving financial aid from MIT or other sources? How much will you and your parents have to pay? How will you do it? If there's a gap between your estimated

expenses and resources, you'll have to cut your expenses or find new sources of funds, like getting a job. If you receive financial aid, your award is based on a fixed budget listed on your award notification. To be fair to everyone, we don't change this budget based on your lifestyle preferences, so you may end up actually spending more or less than what we say it costs. In either event, your financial aid award stays the same. The good news is that since MIT does not charge a standard room and meal amount, there are many room and meal choices available to you to reduce your expenses.

Cost Facts

TUITION AND FEES

- Tuition is \$34,750 and the student life fee is \$236. The student life fee is charged to all students and helps fund activities devoted exclusively to enhancing the quality of student life, including student groups, activities and organizations, club sports and the operations of the Zesiger Sports and Fitness Center.
- You're required to have health insurance. We automatically enroll and bill you for the Student Extended Insurance Plan unless you notify the MIT Medical Department that you already have sufficient coverage by their waiver deadline – see <http://web.mit.edu/medical/p-waiver.html>.

HOUSING

- All freshmen live on campus, but housing charges vary from about \$4,630 to \$6,638.
- Since we don't know which room you'll have until after the summer housing lotteries, we bill you the average weighted housing charge in July. In September we adjust this figure up or down based on your actual cost.
- After freshmen year, if you live in an MIT-affiliated fraternity, sorority or independent living group, you make your own arrangements to pay.
- Wherever you live, on or off campus, we use the average annual weighted housing charge of \$6,000 for financial aid eligibility.
- Contact (617) 253-2811 or via email at residence@mit.edu.

MEALS

- We offer several meal plans tailored to your eating preferences. Once you sign up, you can use your student ID, through TechCASH to make cashless transactions at any of MIT's restaurants, coffee shops and convenience stores.
- If you decide not to purchase a meal plan, you make your own arrangements for meals.
- We use an annual meal allowance of \$4,400 for financial aid eligibility.
- Contact Campus Dining at (617) 253-4874 or via email at foodstuff@mit.edu.

BOOKS, PERSONAL, TRAVEL

- Out-of-pocket expenses for books, supplies, clothing, laundry, medicine, telephone charges, recreation, entertainment, local transportation and travel home will vary according to individual preferences and circumstances.
- We use a \$1,114 book allowance and a \$1,700 personal allowance – that's about \$55 to \$60 a week for personal items – for financial aid eligibility.
- We include a travel allowance in your financial aid budget, unless you live outside the United States. If you do, we don't give you a travel allowance, but we also don't expect a summer earnings contribution from you. That way, you can support yourself either here or at home.

TAKING CARE OF BUSINESS

Paying MIT

MIT IS A PLACE TEEMING WITH INTELLECTUAL CURIOSITY, entrepreneurial spirit and deep commitment to solving the world's greatest problems. From the moment you set foot on campus you'll want to take part in the rigors of academic study, the excitement of discovery and just the sheer fun of being an undergraduate. Needless to say, finding the time to pay bills is not at the top of your list. But if you and your parents take time to review this information, you'll find taking care of business will be a whole lot easier.

STUDENT ACCOUNT

Once you accept our admission offer, Student Financial Services (SFS) sets up a student account in your name for charges like tuition and fees, and credits like scholarships, loans and family payments. Whenever your charges are greater than your credits, you owe us money. We keep your account open until it's paid in full.

WHAT'S BILLED AND WHAT'S NOT

We bill you for services that other Institute offices provide you like tuition, fees, housing, TechCASH, health insurance or medical charges and library fines. We do not bill you for books or off-campus housing in MIT-affiliated fraternities, sororities and independent living groups.

WHEN WE BILL YOU AND WHEN YOU PAY

We bill you on July 10 for the fall term and your payment is due August 1. We bill you on December 10 for the spring term and your payment is due January 1. If there are additional charges throughout the year, we bill on the 10th of the month and your payment is always due on the first day of the next month.

HOW WE BILL YOU AND HOW YOU PAY

We bill you, the student, through an electronic billing system, MITPAY, which provides you with an electronic payment option. If you prefer, you can follow MITPAY instructions to print a copy of the bill and mail us a check. You can also deliver the check in person to us in Room 11-120 when we're open. We do not accept cash or credit cards, and payments by check must be made in U.S. currency drawn on a U.S. bank. The preferred method of payment for families outside the United States is a wire transfer. For details, visit our web site at http://web.mit.edu/sfs/bills/payment_methods.html.

WHOM WE BILL

We bill the student, but *we highly recommend that undergraduates set up their parents as authorized payers in MITPAY*. That way, both student and parents receive an email reminder around the 10th of any month in which there is student account activity.

Step by Step: Paying MIT

• ONE

On or about July 10 for the fall semester and December 10 for the spring semester, Student Financial Services (SFS) sends a reminder to your official MIT email address. Click the student link which will take you to WebSIS, the web-based student information system that provides access to your academic, financial and biographic records. To log into WebSIS, you need your MIT Kerberos ID and password. The direct URL for WebSIS is <http://student.mit.edu>.

• TWO

Click “MITPAY” on WebSIS. Once you’re on the MITPAY secure web site, click “Authorized Payer” and follow the instructions to set up your parents as authorized payers.

• THREE

Immediately contact your authorized payers and tell them to access MITPAY by going to <http://web.mit.edu/sfs/bills> and clicking “authorized payer login” link under “How Can I Make Payments?” The direct link is <https://quikpayasp.com/mit/quikpay/tuition/authorized.do>. After they’re in MITPAY, instruct them to replace their temporary password and sign up to receive monthly email reminders by going under “User Preferences.”

• FOUR

We encourage everyone to check the message board for news items as soon as they log on to MITPAY.

• FIVE

To review the most recent student account statement, click “View Accounts.”

• SIX

To make online payments, click “Make Payment.” If you plan on making regular e-payments, you can provide banking information under “Add E-Check Profile,” but you cannot schedule payments in advance.

• SEVEN

To make a payment by check, start by clicking “View Accounts” and then on the print icon for a copy of the bill. Follow the preprinted mailing instructions or deliver the check in person to us in Room 11-120.

• EIGHT

To see past student account statements up to 12 months, click on “Statement History” from the drop-down menu on the “View Accounts” screen.

• NINE

To print any screen, click on the “print” icon on the browser toolbar.

• TEN

In the following months, access MITPAY on the 10th of each month, *even if you don't receive an email reminder*. Students can access MITPAY only through WebSIS at <http://student.mit.edu> by clicking on the MITPAY link (see Step One above). Authorized payers, including parents, may only access MITPAY as explained in Step Three above.

FINDING FINANCING

Where to look

M

ANY FAMILIES FIND IT DIFFICULT TO PAY THE ENTIRE FALL OR SPRING TERM bills when they are due, so we offer some financing options to assist you.

MIT MONTHLY PAYMENT PLAN

We offer a monthly installment plan with the first payment due in August. Your student account statement tells you the current amount due, as well as estimated future installments and due dates. We charge an annual 8% interest – which is a monthly charge of 0.67% – on your unpaid student account balance. There's no application fee to participate and you can prepay at any time without any penalty. The application form can be found on the SFS Forms and Publications page at

http://web.mit.edu/sfs/forms_and_publications/.

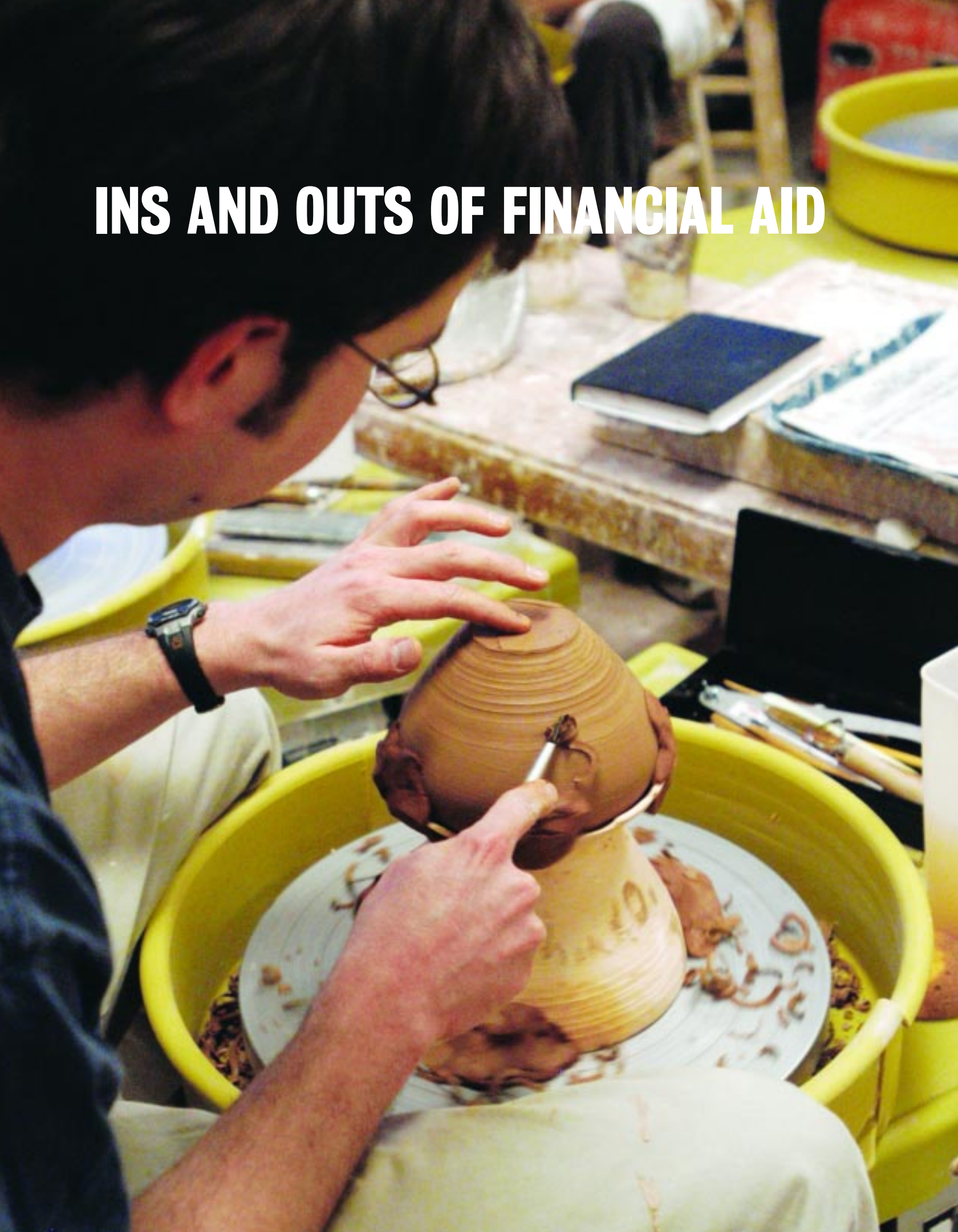
FEDERAL DIRECT PLUS LOAN

The federal government lends to parents who are U.S. citizens or permanent residents. Your parents may borrow up to the full cost of attendance less financial aid, provided they have a good credit rating. The interest rate for 2006-07 is 7.90% fixed. The government charges an origination fee of 4%, then rebates 1.5% of the fee of the loan up front. Half of the remaining amount is credited each to the fall and spring bills. Repayment begins 60 days after the full loan has been applied to the bill. Monthly payments vary depending on the amount your parents borrow and how long they have to repay. Loan calculators may be found online at <http://www.ed.gov/offices/OSFAP/DirectLoan/calc.html>. To apply, go to http://web.mit.edu/sfs/loans/federal_direct_plus.html. Because MIT is a Federal Direct Loan school, *we are unable to process PLUS loans from private lenders.*

MEFA LOAN

The Massachusetts Educational Authority Financing Authority (MEFA) lends to parents who have good credit ratings. They can borrow up to the full cost of attendance minus financial aid received, but they have to borrow at least \$2,000. Your parents can choose a fixed or variable interest rate option. MEFA adds a 3.75% fee to the total amount borrowed and disburses the loan in two equal halves: one half in the fall semester, the other in the spring. Repayment begins 45 days after the loan is applied to the bill and your parents have up to 15 years to repay. You're a cosigner, so if your parents are ever unable to repay, MEFA expects you to pay. Based on the 2006-2007 rates, monthly payments were \$9.37 per \$1,000 borrowed for variable loans and \$9.17 per \$1,000 for fixed-rate loans. The interest rate for 2007-08 will be set around June 1. To apply, go to <http://www.mefa.org>.

INS AND OUTS OF FINANCIAL AID



FINANCIAL AID BASICS

What you need to know

WE ADMIT YOU TO MIT BASED ON YOUR STRENGTHS, TALENTS AND promise, but we award all our aid based *only* on financial need. We don't award any academic, athletic or other forms of merit scholarships.

We meet your full need. We review the financial information your family submits and come up with a realistic family contribution. If this contribution falls short of what it costs to come to MIT, we award you a financial aid package for the entire difference.

We have **three types** of undergraduate financial aid:

SCHOLARSHIPS

Money given to you based on your need.

LOANS

Money you will have to pay back with interest.

WORK

Money you earn by working during the school year.

We have **four main sources** of undergraduate financial aid:

MIT

We are the largest provider of financial aid to our undergraduates, making scholarships, loans and work available.

FEDERAL GOVERNMENT

The U.S. Department of Education is the second largest provider of financial aid to MIT undergraduates. We participate in the Federal Pell Grant, the Federal Supplemental Educational Opportunity Grant, the Academic Competitiveness Grant (ACG), the National Science and Mathematics Access to Retain Talent (SMART) Grant, the Federal Direct Loan (loans to students and parents), the Federal Perkins Loan and the Federal Work-Study programs.

PRIVATE SOURCES

Private sources from small charitable and civic organizations to large corporations and foundations are the third largest source of financial aid for our undergraduates.

STATE GOVERNMENTS

Several states in addition to Massachusetts allow their residents to receive a state scholarship while attending MIT. These states include Connecticut, Delaware, New York, Maine, New Hampshire, Pennsylvania, Maryland, Rhode Island and Vermont.

We award aid one academic year at a time.

You can count on receiving approximately the same amount of aid each year if you file your financial aid materials on time and if your family's financial situation stays pretty much the same. Renewal applications are due by April 15 each year and we begin mailing aid award decisions to upperclassmen in mid-June.

THE FORMULA

How we award aid

WE DETERMINE YOUR FAMILY CONTRIBUTION ACCORDING TO A formula used by a number of schools, known as the “Consensus Approach to Need Analysis.” When we measure your family’s financial strength, we take into account the difference between *basic necessities* like living expenses, taxes and health insurance, and *lifestyle choices* like credit card expenses and vacations. When you fill out a FAFSA, your family contribution at MIT may be higher or lower than what the federal government expects you to pay because they use a different formula.

FINANCIAL AID PACKAGE is the term used to describe the total aid you receive from all types and from all sources of financial aid. At MIT we use a simple system to



package or award aid. We meet the first \$5,250 of your need through a self-help loan/work offer. If your need is greater than \$5,250, then we package need-based grants we administer, including MIT Scholarships, Federal Supplemental Educational Opportunity Grants (FSEOG) and Massachusetts Gilbert Grants.

OUTSIDE AWARDS are scholarships, grants or benefits from private sources other than MIT. If you receive a National Merit or Achievement award, let’s say for \$2,000, we use it to offset your self-help (student loan/work); if your outside award is greater than your self-help, we then reduce your summer earnings expectation rather than your MIT scholarships. That’s because a scholarship is the best kind of financial aid. So a \$2,000 outside award would reduce your self-help from \$5,250 to \$3,250 for that year.

Once your self-help and summer earnings expectation have been met by outside awards, we do have to offset your MIT scholarship because we can’t award you total funds beyond your need.

ASSESSING AWARDS

What does it all mean?

GRAB YOUR FINANCIAL AID AWARD LETTER AND LET'S WALK THROUGH IT TO make sure you understand everything.

BUDGET

This is a fixed amount we use to calculate students' need. The budget is the same for all students except for the travel allowance, which is only included if your parents live in the United States and is based on their ZIP code (i.e. where they live). If you have a travel allowance, this is our estimate of what you will spend. *We don't pay for your travel*; we just take it into account when figuring out your need. Most students use some of their summer earnings to pay for travel or their parents pay for it as part of their contribution.

You have lots of choices when it comes to housing, meals and out-of-pocket expenses, so you may end up spending more or less than the costs in the budget, but your financial aid award stays the same.

RESOURCES

We list a family contribution which includes a parent and a student contribution. If your parents are divorced or separated, we're probably expecting a contribution from each of them. We don't list the individual parent contributions so we can protect the confidentiality of each parent's financial information.

Your student contribution is ordinarily the same as our summer earnings expectation – \$1,500 for freshmen, \$2,200 for sophomores, \$2,500 for juniors and \$2,800 for seniors – unless you have significant savings of your own, high earnings during the prior tax year, or outside grants in excess of your self-help amount.

NEED

We subtract your family contribution from your budget. The difference, if any, is your need.

FINANCIAL AID PACKAGE

We meet your need first through a self-help offer of up to \$5,250. Self-help is loan and work over and above your student contribution. If your need is greater than \$5,250, we offer you need-based grants we administer for your remaining need, including MIT Scholarships, Federal Supplemental Educational Opportunity Grants (FSEOG) and Massachusetts Gilbert Grants. If we already know about any outside awards you have, such as a National Merit or Achievement award, we offset your self-help and then, if necessary, your summer earnings expectation to include this additional scholarship. To help you plan family payments, your award letter lists how the financial aid is expected to be applied to your fall and spring bills.

Answers to Common Questions

HOW DO MOST FAMILIES FINANCE THEIR CONTRIBUTION?

MIT families finance their expected contributions through some combination of past savings, current income and borrowing against future earnings. Many families make use of monthly payment plans, parent loans or other financing options such as home equity loans. In our experience, each family develops a unique approach, taking into account their current and future obligations as well as resources available from past savings. You decide what works best for your family.

IS THERE A LIMIT TO THE NUMBER OF TERMS I CAN RECEIVE FINANCIAL AID?



Yes. If we admit you as a freshman, you are eligible for up to eight semesters of aid as long as you reapply on time and continue to have need. (If you are admitted as a transfer, you're eligible for less than eight, depending on the number of credits we accept.) If you end up staying beyond your time limit, you can request financial aid, including MIT scholarship, for extra terms and we'll decide based on the reason you're staying on and your student debt level. Contact us as soon as you know your plans.

WHAT HAPPENS IF I'M AWARDED MORE OUTSIDE ASSISTANCE AFTER I ACCEPT THE ADMISSION OFFER?

Because we meet all your need, you must keep us updated on other scholarships. The sooner you tell us, the sooner we can advise you on the next steps. Many incoming freshmen don't hear about outside awards until high school graduation. That's not too late as long as you notify us right away so we can make all changes before the first bill goes out. You report these outside awards by using the Self-Help and Outside Award Reply Form mailed to you with your financial aid decision (also available on our web site under Forms and Publications). If you expect to receive outside awards in excess of your self-help and summer earnings

expectation, we encourage you to have some awards deferred to a later year to maximize your ability to offset your self-help and summer earnings expectation each year.

SATISFYING SELF-HELP

It's Up to You!

MOST COLLEGES, INCLUDING MIT, EXPECT THEIR FINANCIAL AID recipients to pitch in and help with their expenses through borrowing, working or both. This is called “self-help.” At MIT we take the view that it’s not our position to tell you how much to borrow, whether to work or what job to take. We do have a few limits. The sum of your federal loan, MIT loan, term-time Federal Work-Study (FWS), and paid Undergraduate Research Opportunity Program earnings (see <http://web.mit.edu/urop/basicinfo/>) cannot exceed your self-help. However, you can borrow your entire self-help as a federal or MIT loan and then work at an on or off-campus job that isn’t under the FWS program or a paid UROP.

A lot of students get confused about how their summer earnings expectation relates, if at all, to their self-help offer. It’s easy to understand. If you don’t earn and save what we expect during the summer towards your summer earnings expectation, you can ask us to increase your self-help by the amount you didn’t earn. This gives you a chance to borrow or work for more during the academic year. Of course, if at summer’s end you have more savings than we expected, you can borrow and work for less during the academic year. You don’t have to report back to us in this case. You only have to check in with us *when you want to increase your self-help*.

Another way you might get confused is if you plan on earning a certain amount and then don’t meet your goal. You don’t need to report to us *unless you want to borrow more*. We ask you to fill out the Self-Help and Outside Award Reply Form and send it to us by May 1. Once we know if you want to borrow, we can send you further instructions. Doing all this early allows you to receive a temporary loan credit on your first bill in July. If your situation changes, you should notify us by filling out a new Self-Help and Outside Award Reply Form and checking the “revised” box at the top.

If you’re uncertain what to do, we suggest borrowing \$4,000 for your first year and working for \$1,250. If you receive some outside awards, we recommend using them to offset your work to give you an opportunity to adjust to MIT. But the decision is yours, and many students find jobs a great way to relax from their academics.

Remember that any outside scholarships you receive will first reduce your self-help and then your summer earnings expectation.

COMPARING AID OFFERS

**It's not
just the
numbers**

ONCE YOU'VE RECEIVED ALL YOUR FINANCIAL AID OFFERS, COMPARE THEM while keeping in mind that finding the right college is not about who gives you the most dollars. As you place your aid packages side by side, here are some things to consider:

Evaluate what it will cost your family for you to attend each college.

Don't compare the total amounts of aid offered, since the prices of the two schools may be quite different. Some colleges do not disclose the family contribution, so you may have to subtract your financial aid package from the total price to figure your family's share. Is there any unmet financial need? How will you find that money?

How much are you, the student, expected to contribute?

Remember that your contribution usually comes in two parts. You have a student contribution, which is part of the expected family contribution. Since many students don't have permanent jobs and past savings of their own, the student contribution is probably the school's summer earnings expectation. You also have a self-help expectation, which is a loan and/or work. Add your student contribution and self-help to understand what you, not your parents, are expected to do.

What is the percentage of gift aid (scholarships and grants) compared to debt you'll take on after college?

Are there differences in the employment prospects and starting salaries of the two colleges, and does that give you a different way to look at your expected debt at graduation?

What kind of flexibility does your financial aid package offer you?

Do you have to borrow or work for a certain amount, or does the school leave it up to you decide? If you work, what kinds of jobs does the college offer? Are they just "jobs", or are there more exciting opportunities like research? What are the pay rates? Do most other students work, or will you be an exception?

If you are offered a merit scholarship, is it renewable?

What are the requirements for its continuation – maintaining a grade point average, or something else?

There's a great deal to think about, but remember that choosing a college just for the dollars may not make sense in the long run. Your education is an investment, and some extra expense may be worth the right match today and personal satisfaction later in life.

SCHOLARSHIPS

Money from other people

SCHOLARSHIPS AND GRANTS ARE FREE MONEY YOU DON'T HAVE TO PAY back or earn, but for which you owe someone a debt of gratitude. Our undergraduates receive scholarships from MIT, the federal government, state governments and private sources.

MIT SCHOLARSHIPS

All MIT scholarships are based on your family's ability to contribute towards the cost of your education. MIT scholarships come from a variety of sources, including endowed funds, gifts donated by alumni/ae and friends, and general Institute funds.

FEDERAL GRANTS

Federal grants, like all other federal student assistance programs, are need-based. The U.S. Department of Education has four grant programs for college students: the Federal Pell Grant, the Federal Supplemental Educational Grant (SEOG), the Federal Academic Competitiveness Grant (ACG) and the Federal National Science and Mathematics

Access to Retain Talent (SMART) Grant. If you're eligible, we include these federal grants in your package as part of your total scholarship eligibility. Since MIT administers the SEOG program, we don't reduce your self-help.

STATE GRANTS

Several states award need-based grants to their residents for study out-of-state. If you're eligible for one of these state scholarships, we include it in your aid package. Since MIT administers the Massachusetts Gilbert Grant, we don't reduce your self-help.

PRIVATE SCHOLARSHIPS

There are many private scholarships you can seek out on your own. *Even though we deduct this amount from your aid package, you end up ahead because we allow you to offset your self-help and summer earnings expectation.* Eligibility for private scholarships can be based on aca-

demics, athletic or musical skill, career interests or any of a number of other criteria.

Check in your community about scholarships from civic or charitable groups. Ask your parents if their employers offer scholarships for family members.

You should never pay for a scholarship service. All reputable scholarship searches are free. You can do your own research online.

SUGGESTED SCHOLARSHIP SEARCHES

www.collegeboard.com

www.collegeview.com

www.fastweb.com

www.finaid.org

www.gmsp.org

www.petersons.com

www.princetonreview.com

www.students.gov

www.uncf.org

www.foundationcenter.org

Your Scholarship Donors

Because of the continuing generosity of MIT alumni, alumnae and friends, we're able to admit you without regard to your financial situation and then meet your entire need. Private individuals give us funds for undergraduate scholarships, and we invest them as part of MIT's endowment so we can help undergraduates for generations to come. Some of our donors have particular funding preferences, although receiving an MIT scholarship does not depend on meeting any of them because we award all scholarships based on financial need. Some of you will have your scholarship funded by an individual donor, while others will be supported by our general Institute funds.



Our job is to match scholarship recipients with donor preferences. To do this, we ask you to update us each year on your various interests and activities – what you're studying, your research, extracurricular activities and work experiences during the summer or academic year. If you accept our admission offer, be sure to send us your completed Student Information Review Form by May 1.

Many donors appreciate receiving news about you. So if you're on the receiving end of a donor's generosity, we may ask you to make a personal connection by writing to your donor to share your experiences as an MIT undergraduate and thank them for their support. If we do, it's your chance to

stand out from the crowd, and our donors take a genuine interest in getting to know you. Of course, our hope is that some day you'll join the community of MIT donors who make such a generous undergraduate scholarship program possible.

LOANS

Money you pay back

LOANS ARE MONEY YOU PAY BACK, USUALLY AFTER GRADUATION. IF USED WISELY, LOANS ARE A great way to meet your self-help. The loans will be made in the student's name, with some exceptions. If the loan requires a **co-signer**, that person is responsible for repaying if you can't. Co-signers may be any person (though it's usually a parent) who agrees to have his or her credit reviewed as a part of the loan application. The borrower(s) pay back interest in addition to the principal amount.

Student loans often have lower interest rates than other loans. Interest rates can be fixed or variable, usually with a cap. If it's a **subsidized** loan, there's no interest while you're in school. If it's **unsubsidized**, you're responsible for paying interest that accrues while you're in school. Loan programs vary in repayment plans (the monthly payments to pay off principal and interest). There are minimum payments, but you may be able to defer them while in graduate school.

We'll offer you a loan from one of these programs. If you're a U.S. citizen or permanent resident, you can borrow from any of them. If not, you can borrow an MIT Technology Loan.

Loan information changes regularly, so review current details when applying.

FEDERAL PERKINS LOAN

You borrow up to \$4,000 a year at a fixed rate (currently 5%), but since the loan is subsidized, there's no interest while you're enrolled. Repayment starts nine months after you leave school and continues up to 10 years, with a minimum \$40 per month. You can defer the loan while in graduate school and there are other special deferment or cancellation benefits.

FEDERAL DIRECT SUBSIDIZED STUDENT LOAN

You borrow up to \$3,500 as a freshman, \$4,500 as a sophomore and \$5,500 as a junior and senior. The 2006-07 interest rate is fixed at 6.80% during school and in repayment. A net fee of 1% reduces the money you get. Repayment starts six months after you leave school. There are lots of repayment options, but you must pay at least \$50 a month. You can defer the loan while in graduate school with the interest subsidized.

Please note that as a federal loan program, the terms are subject to change pending possible new legislation. Please refer to our website for the most current information.

FEDERAL DIRECT UNSUBSIDIZED STUDENT LOAN

This is the same as the Federal Direct Subsidized Student Loan, but the interest accrues on the loan while the student is enrolled.

Please note because this is a federal loan program, the terms are subject to change pending possible new legislation. Refer to our web site for the most current information.

MIT TECHNOLOGY LOAN

MIT Technology Loans have a fixed interest rate of 7% subsidized by MIT while the student is in school. Students must apply with a co-signer, with repayment beginning nine months after the student graduates or leaves school. Deferments are available for graduate study. The monthly minimum payment amount is \$50.

Step by Step: Getting a Loan

• ONE

To apply for a loan, return your completed Self-Help and Outside Award Reply Form by May 1. We send you this form with your award notification.

• TWO

If at any time you receive additional outside awards you've not already reported to us, complete and return a new Self-Help and Outside Award Reply Form. Additional forms are available on our web page at http://web.mit.edu/sfs/forms_and_publications/.

• THREE

Wait to hear back from us. After we get your Self-Help and Outside Award Reply Form, we'll send you instructions on which loan you'll receive and what to do.



• FOUR

We'll send instructions about signing a promissory note, which is the legal document in which you agree to the terms and conditions of the loan. Always read this document carefully before signing. Some loan programs have master promissory notes allowing you to sign just once for that program, rather than each time you borrow more. We'll inform you about any options to sign notes online.

• FIVE

You'll have to complete loan entrance counseling once as an undergraduate. There are online options and we'll give you the instructions when we contact you.

• SIX

If you do everything during the summer, it will be one less detail on campus. Also we'll be able to credit the loan to your bill sooner.

• SEVEN

We'll put an anticipated loan credit on your bill after you complete the Self-Help and Outside Award Reply Form. However, we'll take away this anticipated credit if you don't

sign the promissory note and complete loan counseling by the end of registration week.

• EIGHT

For your convenience we have special loan signing sessions during fall registration week.

• NINE

Before you graduate or leave MIT, schedule an exit loan interview with us to make sure you understand your borrower rights and responsibilities.

WORK

Money you earn

ANOTHER WAY TO MEET YOUR SELF-HELP IS BY WORKING. YOU MAY BE WONDERING how to fit a job into your class schedule, not to mention everything else you want to do, like join clubs, play sports, go to events and just hang out with friends. You may be surprised to find out that working isn't that hard, and the best part is that it gives you another network. If you work on campus, you'll get an insider's view of how MIT runs and a chance to work side by side with professors, researchers or administrators.

Most MIT students work. There are on-campus employment opportunities in academic departments, research centers and administrative offices such as libraries and athletic facilities. Off-campus jobs are available in local community service organizations, corporations and businesses. If you only want a job now and then, you can find temporary positions. SFS has an on-call list where you can register your skills for immediate short-term jobs. Employers check this list and obtain your name and contact information. For an on-campus job, you can expect to earn \$8.75 an hour (the current minimum) or more, depending on the job and your skill level. The average MIT student works 10 hours a week, earning \$1,400 to \$1,600 a term. For job listings of all types, see http://web.mit.edu/sfs/jobs/for_students.html.

Community service is an important priority for many MIT students, and there are lots of opportunities to make a difference in the lives of others while broadening and deepening your own educational experience. You might want to tutor, create video captions for deaf students, work with area hospitals and organizations on Alzheimer's or cancer research, work with the disabled, raise awareness of environmental issues, or work at a day camp for underprivileged youth.

Research is another great opportunity. Under MIT's signature student research program, UROP (the Undergraduate Research Opportunities Program), you can participate in research in any academic department or interdisciplinary laboratory. As a UROP student, you receive academic credit, work on a volunteer basis or get paid for your research work, either through faculty-sponsored funding or direct funding from the UROP program office. **Starting in 2007-2008, all MIT scholarship recipients are guaranteed funding to do one semester of UROP for pay during their undergraduate careers. The UROP job itself is not guaranteed, just the funding.** For more information on how to apply for a UROP, see <http://web.mit.edu/urop/students/>.

Step by Step: Getting a Job

• ONE

Start by getting your authorization to work in the United States, required of all students even if you're a U.S. citizen. Bring from home an original passport, an original Social Security card, or a certified copy of your birth certificate with a raised seal. Visit us in Room 11-320 and show your documents as you complete the federal I-9 form. It's quick and it only needs to be done once while you're at MIT.

• TWO

Set yourself up with direct deposit so if you work at MIT – including under the Federal Work-Study or UROP program – you can get paid electronically. The Direct Deposit Authorization Form is available online at <http://web.mit.edu/sapwebss> under the “Money Matters” tab. You may also access it from WebSIS (<http://student.mit.edu>) under “For Students” and then “Payroll Forms.”

• THREE

Check job listings. Start with the SFS web site at <http://web.mit.edu/sfs/jobs>, where job listings are updated daily. UROP listings can be found at <http://web.mit.edu/UROP>. Other good places to check are the MIT libraries, academic department bulletin boards and TechTalk, the MIT community newspaper.

• FOUR

If you're interested in a paid community service position, check out the Federal Work-Study (FWS) community service positions on our Student Jobs web site at http://web.mit.edu/sfs/jobs/paid_community_service.html. You must be a U.S. citizen with financial need to be eligible. Two great initiatives under FWS Community Service are the America Reads – “ReachOut Help Teach a Child to Read” and America Counts.

• FIVE

If you're offered an on-campus job, have your employer complete the electronic Student Personnel Action Form at <https://sfsespaf.mit.edu/sfs-espaf>.

• SIX

All employees of MIT, including international citizens, must have a U.S. Social Security number on file. If you don't have one, you can get one by going to <http://www.socialsecurity.gov/ssnumber>.

• SEVEN

Complete the required federal and state tax forms. If you want to be exempt from federal taxes, you must file a W4 each year by February 15. For Massachusetts you only have to file the M4 once while at MIT to be exempt from state taxes. These forms are completed online and may be accessed from WebSIS under “Payroll Forms.”

• EIGHT

If you need help with any aspect of getting a job – filling out forms, learning how to contact an employer, or figuring out how many hours to work – contact us in Room 11-320. We're open and here to help you from 9 a.m. to 5 p.m., Monday through Friday, except Wednesday when we open at 10 a.m. Or call us at 617-253-4971.

MYTHS AND REALITIES

Ignore myths about aid

MYTH

The only way to get a good financial aid award is to negotiate.

REALITY

If your family doesn't find your MIT education as affordable as your other college options, we hope you'll give us an opportunity to discuss this with you before you make your college choice. We can't adjust your financial aid package just because another school offers you a "better deal." Not all schools award aid based only on financial need, and not all schools offering need-based aid use the same formula as MIT. We treat each family individually within the general guidelines of our program, but we'll listen to your concerns and propose a plan for your consideration.

MYTH

Colleges bait you with you a great financial aid package so you'll come, but then they switch and give you much less in following years.

REALITY

You can count on MIT giving you approximately the same amount of financial aid in the future *as long as your family files all the renewal financial aid application materials on time and your family financial situation stays pretty much the same*. Your summer earnings expectation will rise each year as we expect you'll develop more marketable skills with each college year. We do sometimes revise our student summer earnings or self-help expectations, but any adjustments up are ordinarily minor. Your complete renewal application is due each year on April 15 and we begin mailing decisions to upperclassmen in mid-June.

MYTH

If my family encounters unexpected financial difficulties while I'm at school, it's my problem.

REALITY

If you attend MIT, you may request a reconsideration of your financial aid decision at any time, especially if your family encounters unexpected financial difficulties. We recognize that families may face uncertain financial situations as result of a slowdown in the economy, job loss, business failure, medical problems or a recent divorce. We award financial aid based on the prior year's income because it's verifiable through tax returns. Sometimes we may offer either an award for fall term only, or recommend that you update us at the end of a calendar year – which is the middle of our academic year.

WHAT TO DO NOW AND LATER



TIMELINES

Now what do I do?

WHILE YOU PROBABLY JUGGLED A COMPLICATED SCHEDULE IN HIGH SCHOOL, college may be the first time you have to figure it all out yourself and stick to it, without parents or teachers helping you keep track. Understanding how to take care of your financial business and then doing it means you can avoid consequences such as late fees on your student account, financial holds at registration, or missing the financial aid deadline for renewing your aid. So if you have a tendency to slack off – which we all do occasionally – here’s a timeline to keep you out of trouble. For further information on how to do each task, check out the page reference in this guide.

SPRING AND SUMMER BEFORE FRESHMAN YEAR

- Send your completed Self-Help and Outside Award Reply Form and Student Information Review Form to us by May 1 (pages 18 and 21).
- Be on the lookout in May for a huge packet with information about everything from the housing lottery (pg. 9) to local banking options (page 7).
- After high school graduation, send us a new Self-Help and Outside Award Reply Form if you have additional awards. This is ongoing, so as you learn about more outside awards, promptly inform us by sending a new Self-Help and Outside Award Reply Form (pages 17 and 18).
- If you’re borrowing, follow the instructions we send you for signing a promissory note and doing entrance loan counseling (page 23).
- Check your official MIT email account around July 10 for information about your fall bill and MIT’s electronic billing system, MITPAY. Set your parents up as authorized payers and make sure they know how to access the system, change their temporary password and sign up for the monthly email reminders (page 11).
- Pay your fall bill in full by August 1 or sign up for the MIT Monthly Payment Plan and pay in monthly installments (page 12).
- If you don’t need the MIT Student Extended Insurance Plan, submit the waiver to MIT Medical (see <http://web.mit.edu/medical/p-waiver.html>) by September 30 for the fall semester or by February 28 for the spring semester (page 9).

FALL SEMESTER OF FRESHMAN YEAR

If you plan on working at MIT at any time, complete an I-9 form and a Direct Deposit Authorization Form. Check out the job listings on our web site. Once you find a job, complete the federal and state tax forms (page 25).

SPRING SEMESTER OF FRESHMAN YEAR

Complete and submit your financial aid renewal application by April 15 (page 14).

SUMMER AFTER YOUR FRESHMAN YEAR

Be on the lookout for your financial aid award notification and complete a Self-Help and Outside Award Reply Form. If you receive an MIT scholarship, complete a Student Information Review Form (page 21).

PEOPLE WHO WILL HELP

Ask the experts

GET TO KNOW US BECAUSE WE ARE THE PEOPLE WHO CAN HELP YOU WITH information on paying MIT, finding financing, getting paid and taking care of financial aid. We're Student Financial Services (SFS) and we are located in the Student Services Center off the Infinite Corridor in Room 11-120 (not to be confused with the Stratton Student Center across Massachusetts Avenue).

Our experts are here to assist you, from our Student Services Center representatives at the front desk, to our counselors in Student Accounts and Student Loans, to Student Financial Aid and Student Employment staff. We encourage you to develop a great working relationship with the appropriate people.

Here's contact information for SFS staff members assigned by the first letter of your last name:

STUDENT ACCOUNT COUNSELORS

617-258-8600

A-G	Mary Murray	maryjo@mit.edu
H-O	Dwayne Daughtry	daughtry@mit.edu
P-Z	Jason Marsala	jmarsala@mit.edu

STUDENT LOAN COUNSELORS

617-253-3343

A-G	Jocelyn Heywood	heywood@mit.edu
H-O	Evelyn Browne	evelyn@mit.edu
P-Z	Guillermo Creamer	gcreamer@mit.edu

STUDENT FINANCIAL AID AND EMPLOYMENT OFFICERS

617-253-4971

A-Ch	Elizabeth Barnes	barnes@mit.edu
Ci-G	Maria Zervos	zervos@mit.edu
H-La	Jackie Robinson	jnrobins@mit.edu
Lb-O	Kenneth Hayes	krh@mit.edu
P-Sr	Jason Shumaker	jasons@mit.edu
Ss-Z	Gary Ryan	gryan@mit.edu

MAKING NOTES